

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

215 North D Street, Suite 204
San Bernardino, CA 92415-0490 • (909) 383-9900 • Fax (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: MAY 14, 2007

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #11B – SUPPLEMENTAL BUDGET REPORT

MODIFIED RECOMMENDATION:

1. For Fiscal Year 2006-07 that the Commission directs the Executive Officer to request a loan from the County of San Bernardino, pursuant to the provisions of Government Code Section 56381, in the amount of \$30,000, to be repaid by reduction of the 2007-08 County Apportionment in a corresponding amount.
2. Adopt the Fiscal Year 2007-08 Final Budget as modified.
3. Approve the Revised Memorandum of Understanding between the County Information Services Department and LAFCO, subject to review by LAFCO Legal Counsel, and authorize the Executive Officer to sign the Agreement following completion of Legal Counsel review and file it with the County Administrative Officer, Auditor/Controller-Recorder and County Chief Information Officer.
4. Direct the Executive Officer to submit to the County Auditor/Controller-Recorder the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381.

BACKGROUND:

On May 9th, Debby Chamberlin met with representatives of the Retirement Board and confirmed her retirement plans. At that time, she learned that her cash outs for Administrative, Vacation and Holiday leaves, in order to assure that they are a part of her earnable compensation calculation, need to occur no later than the pay date of June 21st. The shifting of this payment to the current year will cause expenditures to exceed the estimated revenues for the Fiscal Year. Therefore, pursuant to the provisions of Government Code Section 56381, staff is recommending that the Commission request a loan from the County of San Bernardino to cover year-end costs. Staff is recommending that the loan be for \$30,000 to cover the cash out expenses (currently anticipated to be \$10,000) and allow a cushion for year-end expenditures (\$20,000). As can be seen from the Budget documents presented to the Commission, our fund balance into Fiscal Year 2007-08 was anticipated to be only \$2,699.

Staff has been in contact with representatives of the County to define the process to be utilized to provide the loan. That process requires submission of a written request to the County Administrative Office for presentation to the Board of Supervisors for its authorization. This request will be heard at the Board of Supervisors meeting on June 5th, the first available date following this hearing.

Without authorization for the loan, the Commission will be unable to meet its obligations for payments through the end of the Fiscal Year. Therefore, staff has modified its recommendation presented in the Budget Report dated May 7, 2007. Attached to this report is an amended Budget Spreadsheet outlining the changes anticipated through receipt of the loan proceeds.

/krm

[Attachment](#)